

miscellaneous character of the undertakings introduced, the particular circumstances under which they were organized, and the specious policy adopted in foisting the various securities upon credulous subscribers. The new banks started upon the principle of limited liability constitute the great field of danger, for though there may be one or two exceptions, in which the business obtained promises to carry them through all difficulties, the greater number must offer such inducements to secure custom that they will inevitably enter into operations attended with risk, which cannot fail to terminate in loss. The object in the majority of cases has evidently been to found the bank, not so much for business purposes as for the payment of promoters' fees and the placing of shares at a premium. And it is a consequence of this sort of initiation that while seeming to start in comparative prosperity the greater proportion of the new institutions must either make arrangements, as was done in the railway days, for amalgamation, or finally enter into a course of liquidation. The capital instead of being placed on a broad basis—a condition the most desirable in a banking establishment—has been restricted to a limited sum, in 5,000 or 10,000 shares, in order to ensure the floating of the scheme and the disbursement of preliminary expenses. This accomplished, the working up of connections and the subsequent arrangement of calls have been left to the directors and managers, who already confess the task to be onerous, owing to inordinate competition and the absence of faith in the successful development of the principle. Limited liability, good probably in the abstract, will not have a fair trial in the great banking management, because it has been fettered by the manner in which the law has been manipulated to serve the ends of the designing, who have cared only for immediate profit and not for the vitality of the system. The calls will naturally exercise great weight as they become due. Even during the last two or three months, when the rate of discount has varied between 2½ and 3½ per cent., the result of these payments upon several of the banks has been clearly apparent. Look down the official list of prices, and make a comparison. The shares that stood at small or weakly premiums have, at the mere approach of the calls, gone to a discount, to sink lower still when these demands shall be repeated. What the consequence will be when the rate of money shall advance, as it must steadily do, to five and six per cent. can be readily inferred by those who have experience in these matters. The other companies will have to struggle as they best can; they may resort to voluntary liquidation, or drop helpless and effete into the rapacious jaws of Chancery, to undergo a process of inquiry most tedious to all concerned. If they survive the reaction, so much the better; if not, the sacrifice, except in an isolated case, will scarcely be serious. It is the banks that will produce the mischief, and to the progress of these attention must be steadfastly directed. In order to avert any apprehended calamity it will be the duty of those associated with unlimited or limited institutions, if they see any doubtful symptoms in a particular quarter, to investigate and ascertain whether measures cannot be taken to prevent a collapse by the transfer of the business and an adjustment, such as will meet the exigencies of the occasion. Only in this manner will it be possible to prevent the ruin which must ensue from the gradual depreciation in the shares of many of the limited liability banks likely in the next three or four months to take place.

The circumstances which fostered the late speculation—viz., the disruption of commercial relations with America, and the general accumulation of capital, would, it was long since felt, be productive of a state of things which sooner or later must terminate in disaster. An over-abundant supply of capital, and money at low rates seeking employment, were the very elements required to inaugurate a mania. It only remained for projectors or promoters to introduce a class of enterprise to hit the popular fancy; and it was perfectly certain that the time was ripe for the change. At this very juncture, to add fresh fuel to the fire, bankers and capitalists, disgusted with the current of events on the other side of the Atlantic, realized their investments in Federal stocks and first-class American railway securities. Remittances to the extent of millions sterling, the result of these sales, arrived to increase the already plethoric resources of the general money market, thus stimulating the fever heat pervading the neighbourhood of Bartholomew-lane and Capel-court. These funds were not only absorbed in the several loans which were brought out about that date, but they assisted in sustaining the impetus to enterprise of a miscellaneous character. This great exchange of securities—for such it was, in every sense of the word—the proceeds of American stocks and shares saved from the wreck of the New York market being placed in others of scarcely more intrinsic value—was accomplished with very little bustle or excitement. The parties to the movement hardly imagined that they were pursuing so desperate a game, the rose-coloured tint of loan and share allotments at a premium virtually blinding them to ulterior consequences. But we are now arriving at one of those great points in the financial drama, where the characters upon the scene will be compelled to undergo those mutations which, if due care be not exercised, may bring down the curtain amidst cries of misery and despair. The money and stock-markets have been filled to repletion with new securities, most of them of doubtful value,—to such an extent, indeed, that if new and sound enterprises are now announced, the public have become so satiated that they will scarcely touch them,—so that the days of the mania may be considered almost at an end. Meanwhile capital has been sucked up in numberless channels—partly in undertakings that will never pay; partly in companies that will take years to mature; partly in pro-

jects which have fallen through. The "tightening" process, as it is technically termed in Lombard-street, is gradually advancing; and the increase of engagements, with the salutary fear inspired of what may arise, if the leading-strings of speculation are not kept in check, will tend more than ever to support bankers and brokers in maintaining a strict command over their resources. They have not now the same facilities as they possessed four or five years ago when they could run to the Bank for advances. Messrs. Overend, Gurney, & Co., Messrs. Alexander & Co., and the other important financial "institutions" have to regulate their means according to their necessities, and can procure no extraneous aid as in former periods. And what this comes to in an epoch of monetary pressure is well understood to be as near as possible a dead lock, for those individuals who do not rank A 1 and who have not available the best and most tangible securities. Even with the recent changes in banking and financial circles, much alteration has followed in the system of first class discounting business. It is said that there ought to be greater facilities because of the existence of an increased number of discount establishments, public and private, and of the desire among them to secure an enlarged *clientele*. In addition to Overend, Gurney, & Co. and Alexander & Co., there are the National Discount and the Joint Stock Discount Companies. Sanderson & Co. do not continue in their old firm, having been split into two sections by the starting of F. Sanderson & Co.; and Bruce & Co. is sustained by the Sons. Weston & Laurie represent an important branch—the Manchester warehousemen; Brightman & Gillet spring out of the defunct London Discount Company, and others exist, second and third rate to these. But, numerous as such establishments are, and important as is the accumulated wealth they have in their control, their fixed principle of action is first to look after themselves and then attend to the wants of the public. In following out this course they are perfectly right, since in perilous periods, if they did not pursue prudential measures, they might soon be involved disastrously, and injure both themselves and the mass of the financial community who entrust them with deposits.

The signs which are faintly, but every day, becoming more distinctly visible in what our Yankee neighbours describe as the "fiscal firmament," show that most of the bankers and brokers are looking with anxiety towards the autumn. We shall be presently experiencing the influences of the weather, harvest prospects, and their definite results exercising due effect upon the value of money. With caution in the discount circles of Lombard-street, and forced pressure of paper upon the Bank for negotiation, the quotation must rise, and it will require the nicest possible management to prevent a point being attained which shall not create a very serious strain. Contingencies of the most startling character are mixed up with the present condition of the money-market, and if one or two of these should intervene, the whole order of affairs must be revolutionized, much to the discomfort of those who may in the slightest degree be overburdened with pecuniary engagements. It is now found that it does not require the transfer of a large volume of capital to occasion a rise in the rate, as it did previously to the crisis of 1857; and on the exhibition of the slightest alarm, as has recently been perceived, it is difficult to procure assistance except under the most disadvantageous arrangements. Two events have only to occur, separately or in conjunction, to entail a series of frightful disasters; and for these everyone should be fully prepared. The first is a break up of the speculative mania, which cannot be far distant; the other is the termination of the fratricidal struggle now waging in America. The latter would greatly precipitate the former if it were to take place at an early date; if not, the winter of the present year will, it is believed, put an end to the mania of speculation.

## REVIEWS OF BOOKS.

### THE WATER-BABIES.\*

It is significant of the author and of the school to which he belongs, that Mr. Kingsley cannot give us a pleasant and clever book for children without putting himself all through it in an attitude of general defiance towards that large portion of the world which thinks Mr. Kingsley a very agreeable and imaginative writer, but which might not, perhaps, be prepared to say that he is the greatest thinker of his age on political economy, on politics, or even on philosophy. Every now and then Mr. Kingsley comes out from his study before the world, but it is always with that particular jovial expression of onesidedness which is so common to Muscular Christianity. What is there in intellect, Mr. Kingsley appears always to be gratuitously remarking, comparable to children and ladies, and Cambridge undergraduates and working men? Accordingly, "The Water-Babies" is prefaced by a little poem, addressed, we presume, to the intellectual and religious universe, and designed to tell us that Mr. Kingsley pities intellect and prefers the society of water-babies:—

"Hence, unbelieving Sadducees,  
And less believing Pharisees!  
With dull conventionalities,  
And leave a country muse at ease,  
To play at leapfrog if she please,  
With children and realities."

\* The Water-Babies. A Fairy Tale for a Land Baby. By the Rev. Charles Kingsley. Macmillan. 1863.

We do not know exactly who are represented here by the unbelieving Sadducees, unless it be those who make it their habit not to hear, or, when heard, to dismiss from their minds voices from Wessex concerning Lancashire, and Mr. Ruskin on political economy and politics. The Pharisees are more intelligible, and we shall leave them to their fate. As, however, want of credulity is not usually supposed to be the leading characteristic of that body, we presume that "less believing" must here again be interpreted to mean believing less in Mr. Kingsley. But it is a rather remarkable thing that Mr. Kingsley in these lines seems to be afraid that the world is going to object to his doing that very thing for which we shall all allow he is most eminently fitted. If the country muse would only keep to playing at leapfrog with children and "realities"—whatever that may mean—nobody would say a word; and Sadducees and Pharisees would alike acknowledge that Mr. Kingsley was faultless. It is when he comes to deal with "dull conventionalities," by which we suppose he means things in general, and the laws of labour, and politics, and metaphysics, that we object to leapfrog, and what Mr. Kingsley is pleased to call the country muse. Leapfrog is an admirable amusement in its place. What stings Mr. Kingsley in reality is not that anybody minds his playing leapfrog with water-babies, but his playing leapfrog (as he calls it) with more important questions. It is natural that an author of so healthy a temperament should dislike finding that sensible people do not care to have matters which are matters of pure reasoning and common sense, settled on all occasions summarily by Mr. Kingsley and his friends in a spirit of jovial uproar. But he has no right to betake himself with an air of sulkeness to a fairy tale, as if we did not admire him when he comes to fairy tales, or as if this world's Sadducees ill-used him by refusing to allow him to talk nonsense on subjects where nonsense is both ludicrous and pernicious. Mr. Kingsley is not an ill-used man. His vigorous morality, his able writing, and his imaginative power, give him a great influence over a number of people who may not be very clever, but whom it is a decided credit to be able to influence for good. He has no business to expect to be allowed to lay down the law on social government or philosophy, simply because he is a pleasant writer of poetry and a most admirable novelist, and a well informed companion. In purely intellectual matters the *ipse dixit* of the most accomplished Muscular Christian is worth just its intrinsic value and no more.

We allude to this tone of oracular irony towards the world which Mr. Kingsley assumes, not only because it is a habit that seems to be very catching among his imitators, but because it is so intensely ludicrous in the eyes of bystanders. It is absolutely comical to listen to the way in which some of the followers of the Muscular Christian leaders begin to speak of the learning and philosophy of the world. Just as Mr. Maurice's favourite way of disconcerting an opponent is to tell him "that there is much good in him, and that unconsciously he is saying what has a great deal of truth in it if he only knew it;" it is the fashion among his admirers to regard intellectual people as curiously perverted beings, who, however, under the ripening influences of religion, might be turned into something useful. "After all"—Mr. Kingsley would probably say—"After all there is more in Aristotle than Aristotle really knew himself." This is the tone he actually adopts in the *Water-Babies*, to decide the difference between Locke and Plato,—

"Ah, you dear little Ellie, fresh out of Heaven! When will people understand that one of the deepest and wisest speeches which can come out of a human mouth is that 'It is so beautiful that it must be true?' Not till they give up believing that Mr. John Locke (good man and honest though he was) was the wisest man that ever lived on earth; and recollect that a wiser man than he lived long before him; and that his name was Plato, son of Ariston."

It is difficult to imagine a more absurd sight than that of an excellent Cambridge clergyman, in an off-hand way and by a kind of side blow, settling for ever all the metaphysical questions of the world in favour of what he imagines to be Platonism, and making excuses for Locke's weakness of head on the ground that he was a good and honest man. Does Mr. Kingsley seriously think that a book for children is improved by this nonsense? If he does, he is no doubt quite wise in wishing Sadducees and Pharisees alike to stand aside and not to look at him while he is engaged in the Christian and charitable task of apologizing for Locke's intellectual errors. Mr. Kingsley reminds us of an aged and aristocratic lady who, on a recent occasion, was brought into contact with one of the leading thinkers of the day. "My dear," said she on her return, "I have been talking to —, and I see now that it is his head and not his heart that is at fault." Mr. Kingsley, with equal charity, having shown his own clearness of conception by informing us sententiously that Beauty and Truth are co-extensive, and that Plato thought so, pats Locke on the back and tells us that Locke's errors are errors not of heart but of head. *Ridete domi quicquid est caci-norum.*

We do not propose to enter into a learned argument with so profound a metaphysician as to whether "Beauty is Truth, Truth Beauty," as the poet says; nor if we did, would it lead to any more "deep or wise" conclusion than that people who choose to employ a particular term in a sense which is not its every day use, have a right to do so, and to make the most they can of the valuable privilege. We prefer—subject to the above protest—to take Mr. Kingsley on his own terms, to lay aside the Sadducee, to put on for the nonce whatever dress he pleases, and to express our thorough admiration of the less "profound" portion of the "Water-Babies." As a somewhat fanciful describer of nature, Mr. Kingsley is quite

unequaled; and the "Water-Babies" is—with the exceptions to which we have alluded above—a model of the kind. In fun, in humour, and in innocent imagination as a child's book, we do not know its equal. The plot is capital, and from first to last there is a spirit and a finish about the volume that is of great literary merit. It is a very hard thing to write a good child's book, as it is a very hard thing to play with children. Mr. Kingsley accomplishes the task almost to perfection, and only falls short of the ideal in those passages where he makes play with the children in order to give a little moral lecture to those who look on. Everybody knows how clever young ladies tell stories to little boys and girls when people are listening to them from the other end of the room. Each shakes her curls a little more than is natural, is a trifle more satirical than is absolutely essential, puts in clever little allusions which are above her boyish audience, and perhaps may be detected every now and then casting a furtive glance towards the elderly circle near, to see if her powers of playing with children are properly appreciated. Mr. Kingsley, in like manner, is a little too conscious of his grown-up audience. The country muse overdoes by the faintest degree in the world the shaking of her curls. We know that she knows that we are watching her, and her artlessness has now and then a touch of artificiality and of intentional *bohémie*. It is all very well telling us to let her alone, and not to notice her when she is playing happily. We are continually reminded in the book how evident it is that Mr. Kingsley expects some of us to stand by while he is at play. It is not indeed as if the excellent Professor of History was playing by himself. When so accomplished a prophet takes to so innocent a recreation, Muscular Christianity at large accompanies him. It is all very well pretending not to see that he is seen. Mr. Kingsley feels, and feels truly, that all the Cambridge undergraduates, and the young muscular clergymen throughout the kingdom, are running up the bank beside him, while he is rowing along so gracefully in his boat. Not look at him! Even if he did not look at him, he has a jovial and attentive audience of whom he may say, *Pernocet nobiscum, peregrinatur, rusticatur.* We will not say that, like Pompey, he enjoys the applause of his own theatre. But, perhaps, the position in which he stands accounts for that tinge of dogmatism (we do not want to call it vanity) and that missionary flavour of moral earnestness which we can hardly believe meant for a juvenile public, and which lessen, though in an infinitesimal degree, the literary value of the "Water-Babies."

Those, however, who care for real innocent humour, and a keen and picturesque description of the wonders of English scenery, will enjoy them from first to last of the book. Few writers can compare with Mr. Kingsley in his power of genial descriptions of the kind; and Tom among the water-babies is not only as pretty a piece of imaginative writing as has been written for a long time, but is full of pictures of minute nature, the beauty of which cannot be praised too much. The following is a fair specimen of the kind, and clearly proves that Mr. Kingsley's touch is as perfect in this respect as that of Hans Andersen, and that it is in his power, if he chooses, to give us a series of fanciful tales fully equal, if not superior, to that writer himself:—

"He saw great spiders there, with crowns and crosses marked on their backs, who sat in the middle of their webs, and when they saw Tom coming, shook them so fast that they became invisible. Then he saw lizards, brown and grey and green, and thought they were snakes, and would sting him; but they were as much frightened as he, and shot away into the heath. And then, under a rock, he saw a pretty sight—a great brown sharp-nosed creature, with a white tag to her brush, and round her, four or five smutty little cubs, the funniest fellows Tom ever saw. She lay on her back, rolling about, and stretching out her legs and head and tail in the bright sunshine; and the cubs jumped over her, and ran round her, and nibbled her paws, and lugged her about by the tail; and she seemed to enjoy it mightily. But one selfish little fellow stole away from the rest to a dead crow close by, and dragged it off to hide it, though it was nearly as big as he was. Whereat all his little brothers set off after him in full cry, and saw Tom; and then all ran back, and up jumped Mrs. Vixen, and caught one up in her mouth, and the rest toddled after her, and into a dark crack in the rocks; and there was an end of the show."

"And next he had a fright; for as he scrambled up a sandy brow—Whirr—poof—poof—cock—cock—kick—something went off in his face, with a horrid noise. He thought the ground had blown up, and the end of the world come."

"And when he opened his eyes (for he shut them very tight), it was only an old cock-grouse, who had been washing himself in sand, like an Arab, for want of water; and who, when Tom had all but trodden on him, jumped up, with a noise like the express train, leaving his wife and children to shift for themselves, like an old coward, and went off screaming—'Cur-ru-u-uck, cur-ru-u-uck—murder, thieves, fire—cur-u-uck-cock-kick—the end of the world is come—kick, kick, cock, kick—' He was always fancying that the end of the world was come when anything happened that was farther off than the end of his own nose. But the end of the world was not come, any more than the 12th of August was; though the old grouse cock was quite certain of it."

"So the old grouse came back to his wife and family an hour afterwards, and said solemnly—'Cock, cock, kick; my dears, the end of the world is not quite come; but I assure you it is coming the day after to-morrow—cock.' But his wife had heard that so often, that she knew all about it, and a little more. And besides, she was the mother of a family, and had seven little pouls to wash and feed every day; and that made her very practical, and a little sharp-tempered; so all she answered was—'Kick-kick-kick—go and catch spiders, go and catch spiders—kick.'"